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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 001708

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [ETRD](#) [MARR](#) [MY](#) [CH](#) [KS](#)
SUBJECT: MALAY PM IN CHINA: COMMEMORATING 35 YEARS OF
DIPLOMATIC TIES WITH "BIG BROTHER" PRC

Classified By: Acting Political Minister Counselor Ben Moeling. Reason
s 1.4 (b) and (d).

SUMMARY

¶1. (C) Malaysian Prime Minister Najib Razak's June 2-5 trip focused on the commemoration of 35 years of China-Malaysia relations and resulted in no new substantive initiatives, according to an MFA official and a Malaysian Embassy contact. Though the two sides touched lightly on extant disputes in the South China Sea, neither China nor Malaysia broke new ground in solving the maritime dispute. Our Malaysian Embassy contact noted that in bilateral relations, China saw itself as "big brother" to Malaysia. China hoped to make up its trade deficit with Malaysia by pushing Malaysia to purchase Chinese arms. End Summary.

¶2. (C) MFA Asian Affairs Department Malaysia Division Director Song Xiangyang told PolOff June 22 that the June 2-5 visit of Malaysian Prime Minister Najib Razak was short on substance and instead had focused primarily on commemorating 35 years of diplomatic relations between Malaysia and China. China noted this visit's historical resonance for PM Najib, because his father, Tun Abdul Razak, had established diplomatic relations with the PRC on May 31, 1974 during his term as Malaysia's second prime minister.

¶3. (C) Director Song said that in PM Najib's separate meetings with President Hu Jintao and Premier Wen Jiabao, the two sides reaffirmed commitments to implementing the bilateral Joint Action Plan, which covered political, economic, cultural, social and educational sectors of Sino-Malay relations. Director Song added, however, that beyond two technical MOUs on maritime cooperation and postal services, the visit produced little of substance.

¶4. (C) Asked whether the two sides discussed recent disputes in the South China Sea (SCS), Director Sun responded that during his meeting with PM Najib, Premier Wen reiterated China's SCS approach of "shelve disputes and mutual development." Sun reported that PM Najib had affirmed that Malaysia was always open to addressing SCS disputes "in the context of international law." Malaysian Embassy Political Counselor Ahmad Shublee Othman (protect) stressed to PolOff June 18 that in planning for this visit, both sides had agreed to avoid discussions of sensitive issues but that immediately prior to PM Najib's arrival, the Chinese mentioned that PM Wen would raise the SCS. However, both Director Sun and Malaysia Embassy's Shublee confirmed separately that the two sides had not discussed the May 6 Malaysia-Vietnam joint submission to the UN Commission on the Limits of the Continental Shelf (CLCS), nor had either side raised the idea to supplement or strengthen the 2002 ASEAN-China Declaration of Conduct of Parties in the South China Sea.

Big Brother / Little Brother

15. (C) Malaysian diplomat Shublee noted that China saw itself as "big brother" in its dealings with Malaysia, an approach that irritated the Malaysians. He argued that China's refusal of Malaysia's request to schedule PM Najib's visit during the actual anniversary date of the establishment of Sino-Malay relations was meant to demonstrate China's influence over Malaysia. (MFA's Sun said China could not accommodate Malaysia's request because of an already full calendar for senior Chinese leadership.) Shublee also said he perceived the PRC "big brother" approach in high-level MFA official contacts with Malaysian Embassy officials, recalling the patronizing tone of Chinese officials when they raised objections to the Malaysia-Vietnam CLCS submission shortly after it was filed with the UN.

Weapons Sales to Make Up Trade Deficit

16. (C) Shublee mentioned that Malaysia, China's largest ASEAN trading partner in 2008, enjoyed a healthy trade surplus with China (approximately USD 11 billion, according to Global Trade Atlas statistics) and that China had been pressuring Malaysia to close the deficit by purchasing military equipment, among other Chinese products, but that Malaysia was hesitant because of its concerns about the quality of Chinese military hardware. Shublee reported that Malaysia had purchased a number of shoulder-fired surface-to-air missile launchers totaling approximately 10 million ringgit (approximately USD 2.8 million) and that China was urging Malaysia to purchase multi-purpose rescue boats that Malaysia, according to Shublee, would prefer to source from

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